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CHILTON'S

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THE TRANSPORTATION & BUSINESS LOGISTICS MAGAZINE FEBRUARY 1987

TURNING ON TO TRUCKLOAD

TWO CAPITOL CENTENNIALS

RATE YOUR MOTOR CARRIERS

THE COMPUTER CHALLENGE: SORTING OUT THE SOFTWARE

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FEBRUARY 1987

COVER STORY

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Full-trailer service was supposed to head south in the just-in-time era. But it's still a well-traveled road to service and cost efficiency.

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The Maritime Minefield

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OPINIONS? WE GOT A TRUCKLOAD!

The truckload segment of the motor carrier industry appears to be shifting into high gear. In December we asked you to list truckload's biggest advantages and its biggest drawbacks, and tell us why it has become so popular. Your responses revealed some distinct trends:

"The for-hire carriers are negotiating attractive rate and service packages where volume warrants. Unfortunately, during peak periods this results in an 'overbooked' situation where not enough equipment is available." **– James J. Paule, traffic manager, Spangler Candy Co., Bryan, Oh.**

"The greatest attraction of truckload is lower rates and faster service. There is no comparison of TL rates vs. LTL 'discounts.' The only disadvantage is when there isn't enough tonnage to a particular area to make a truckload shipment." **– R.G. McCormick, assistant director, distribution, Bunge Edible Oil Corp., Kankakee, Ill.**

"The greatest attraction today is the number of quality carriers with competitive rate scales. I have no deterrent, as service levels remain good with all carriers I utilize." **– Donald A. Nichols, distribution manager, Guardian Industries, Carleton, Mich.**

continued

Of the for-hire service my company pays for, the percentage (by weight) moving on a TL basis is	57%
LTL	43%
My company tends to use for-hire TL service most for:	
outbound shipments to customers	49%
inbound shipments from vendors	31%
intercompany moves	11%
When I ship a truckload, I want it to be in a:	
48' trailer	42%
45' trailer	36%
53' trailer	11%
When I ship a truckload, the carrier is most often a:	
national, general commodity carrier	33%
specialized or regional carrier	28%
independent owner/operator	25%
Truckload shipping generally requires dropped trailers at my facilities	50%

QUESTION OF THE MONTH

TOO MANY HANDS IN THE SOUP?

Almost a year ago, we asked shippers about the problems they've experienced with intermodal transportation services ("Dialogue," April 1986, p. 7). A clear majority of respondents, 53 percent, said service problems were caused by confusion – *read* lack of communication – over carrier responsibility in the intermodal marketing equation.

One reason for this confusion is that there are more hands in the intermodal soup today than ever before. In the wild and wooly world of transportation mergers and acquisitions – where steamship lines own railroads, railroads own trucking companies, and so on – it is not uncommon for intermodal service offerings to come from every corner of the transportation marketplace.

Who is marketing intermodal service to you? The railroads? Steamship lines? Third party brokers and forwarders? What is the biggest source of confusion for intermodal shippers? What can be done to clear it up? Help us get to the bottom of this by filling in your answers on the card below.

DIALOGUE

February 1987

• Who markets intermodal services to you now? (check all that apply): _____railroads; _____steamship lines; _____third parties; _____other (describe) _____

• What is your greatest source of confusion when using intermodal transportation services? (check ONE only): _____rating/routes; _____liability; _____billing; _____in-transit communication; _____Other (describe) _____

• Are direct sales calls more or less necessary for intermodal movements today? _____more necessary; _____less necessary

• If you use intermodal services, is computerization of your operation more difficult because of those services? _____more difficult; _____less difficult _____there is no difference

• In the last two years, have you noticed a difference in the quality of intermodal service you receive? _____service has improved; _____service has declined _____there is no difference

How, and by whom, would you prefer to have intermodal services marketed to you?

_____

_____

_____

_____

_____

NAME (print) _____ TITLE _____

COMPANY _____ PHONE _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

FIGURES IN SPEECH

(Quotes from transportation and distribution notables that have caught the ears of *DISTRIBUTION* editors:)

"What we will have is a 'boutique within a shopping mall' type of arrangement, where the various facilities and services are available in one location, but they will be provided by many different operators."—**Robert G. Brazier, president, Airborne Express, on the distribution center of the future**.

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"In the struggle for survival, the fittest have become the global operators, in addition to those who specialize in various fields. The future of shipping depends on an industry in sound financial order, so shippers should welcome cooperative developments—they benefit all parties."—**Erik Waage-Nielsen, president, Barber Blue Sea and ScanCarriers**.

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"As businessmen, we have always been sensitized to 'give the customer what he wants.' We must return to these basic marketing methods and make U.S. business a competitor once again in world markets. Certainly metric changeover is part of this equation."—**Craig Thom, chairman of the board, American National Metric Council.**

"Truckload carriers offer excellent service, excellent rates. LTL specialized carriers do not cover enough territory and rates are not competitive enough. Also, they cannot handle appointment delivery freight."—**Rod Martin, corporate traffic & distribution manager, DEP Corp., Rancho Dominguez, Calif.**

"Truckload is the best value in cost and service between two points. The biggest deterrent is that most frozen food distributors are not able to order in truckload quantities."—**Rick Patterson, distribution director, Fred's/Centre Brands, Riverside, Calif.**

"The greatest attraction is the price and transit times. The greatest deterrent is the unreliability of pick-up and delivery."—**Tim Kubiak, transportation manager, Volvo White Trucks, Greensboro, N.C.**

"Service and price are the attractions of truckload for us. Getting the correct equipment and permits is the only drawback I can think of. LTL discounts can't match the cost and service of truckload."—**Charles W. Welcome, traffic manager, Erv Weidmann, St. Johnsbury, Vt.**

"The greatest attraction is lower costs. The greatest deterrent is that too many carriers do not exercise enough control over their drivers."—**W. McNeal, traffic manager, Mohasco Upholstered Furniture, New Albany, Miss.**

"The greatest attractions are the ease of doing business, competitive rates and superior overnight service. There are **no** deterrents in truckload service."—**Jim Ammons, director of traffic, Baddour, Inc., Memphis, Tenn.**

"The greatest attractions are price, service and control of delivery. The greatest deterrents are subcontracting, insurance coverage and errant drivers."—**Philip Lower, manager, transportation services, Hayes-Albion Corp., Jackson, Miss.**

"Cost, trailer size, and service are all advantages (of truckload carriage). The greatest drawback is in the need for verification of insurance coverage."—**Frank Carberry, distribution manager, Waterbury Co., Waterbury, Conn.**

"The advantages of truckload service include price and the availability of equipment. Also, truckload carriers provide excellent service. We really don't see any deterrent in using truckload carriers. In the six years we've been using them, we have never encountered any major problems."—**Paul J. Hill, traffic manager, Niagara Envelope Company, Buffalo, N.Y.**

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